

Akin Gump

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The Honorable Alan M. Koschik
John F. Seiberling Federal Building & U.S.
Courthouse
2 South Main Street
Akron, Ohio 44308

Re: *In re Pleasants Corp., et al.*, Case No. 18-50763, Cases Jointly Administered
Under Case No. 18-50757 (AMK)

Dear Judge Koschik:

We write in connection with the final fee application of Akin Gump Strauss Hauer & Feld LLP (“Akin Gump”) filed in connection with the above-referenced matter [ECF No. 4291]. On November 24, 2020, the Court ordered four Akin Gump policy professionals to provide verified declarations in support of the firm’s fee application. The declarations, which accompany this letter, address the questions in the Court’s November 24 order and provide further detail about the year and a half of work the professionals did on behalf of FirstEnergy Solutions, Inc. (“FES”) in connection with the legislation that became House Bill 6. This letter provides additional information about the firm’s knowledge related to FES-authorized contributions to Generation Now.

During the July 13, 2021 hearing, the Court invited Akin Gump to share whether any circumstance of the House Bill 6 matter impacts the firm’s pending fee application. Akin Gump has carefully reviewed the matter, including public materials such as the FirstEnergy Corp. Deferred Prosecution Agreement, and the firm is not aware of any evidence that its attorneys and professionals knew of any illegal activity, including by anyone at its client FES, in connection with House Bill 6. Accordingly, Akin Gump is not aware of anything that would lead the firm to revise its pending fee application.

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As outlined in the declarations, FES made two contributions totaling \$500,000.00 to Generation Now in October 2018, as part of a bipartisan political contribution strategy. In addition to the policy professionals who advised FES on that strategy, Akin Gump restructuring lawyers provided restructuring-related advice regarding the expenditures. Several months later,

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in April 2019, FES' restructuring advisors forwarded to an Akin Gump restructuring attorney and others outside of Akin Gump a proposal from Generation Now to spend \$15–\$16 million on House Bill 6–related advertising and other voter-education efforts in support of House Bill 6's passage.

Akin Gump restructuring and corporate lawyers, along with the debtors' other restructuring and financial advisors, routinely attended board meetings of debtor entities during the pendency of the chapter 11 proceedings. As such, several Akin Gump restructuring and corporate lawyers, as well as FES' restructuring and financial advisors, attended a May 28, 2019 meeting of the FES board of directors, where they updated the board on bankruptcy- and union-related issues. During that meeting, the board adopted a resolution, which Akin Gump corporate attorneys had drafted, authorizing expenditures of up to \$15 million to Generation Now to fund Generation Now's voter-education efforts. The restructuring and corporate lawyers do not know how much of the authorized budget was ultimately contributed to Generation Now or when such contributions were made; nor were they aware of how specifically those funds were used by Generation Now, although they also have no reason to believe those funds were used in a manner inconsistent with the April 2019 Generation Now proposal referenced above. The Akin Gump policy professionals were not specifically aware of the \$15 million authorization described above, and they did not advise on the authorization. Some of them were aware that FES' media and voter-education efforts in support of House Bill 6 had been transitioned from another firm to Generation Now and that monies were being spent on those efforts.

Additionally, several Akin Gump restructuring and corporate lawyers attended an August 7, 2019 FES board meeting during which the board adopted a resolution, which Akin Gump corporate attorneys had drafted, authorizing expenditures of up to \$25 million to educate Ohio voters on issues related to House Bill 6, in response to an effort by those opposed to House Bill 6 to bring it up for referendum after it had been enacted into law. Later that same day, several Akin Gump restructuring and corporate lawyers were present at a meeting attended by FES management, FES' restructuring advisors, FES creditors, and the creditors' advisors and lawyers, in which discussions about the proposed expenditures, their purpose, and that they would be paid through Generation Now took place. The Akin Gump restructuring and corporate lawyers do not recall being aware of how much of the expenditures authorized at the August 7 board meeting FES spent, or where or when it spent those funds, although they also have no reason to believe those funds were spent in a manner inconsistent with the board approval and the discussion with creditors and their advisors described above. The Akin Gump policy professionals were not specifically aware of the \$25 million authorization described above, and they did not advise on the authorization. Some of them did come to be aware that Generation Now and/or FES were

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engaged in anti-referendum efforts in support of House Bill 6 and that monies were being spent on those efforts.

While Akin Gump restructuring lawyers advised FES on restructuring issues related to FES' proposed expenditures to Generation Now pursuant to board resolutions in May and August 2019, and Akin Gump corporate lawyers drafted the board resolutions, they were not asked to advise—and did not advise—on matters outside of restructuring and corporate issues in connection with the Generation Now expenditures in the spring and summer of 2019. In that context, they did not have or raise any concerns with FES about the proposed expenditures.

Akin Gump policy professionals did not attend the above-referenced May or August 2019 board meetings and did not advise on the Generation Now authorizations discussed at those meetings. As noted above, policy professionals became aware that the media strategy in support of House Bill 6 had been transitioned from another political consulting firm to Generation Now, and, albeit after their FES work had diminished, that FES and Generation Now were engaged in anti-referendum efforts.

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Akin Gump remains ready to address any questions the Court may have about this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Abid Qureshi', written over a horizontal line.

Abid Qureshi